

# Compliance Assessment Sampling Plan – 9801.00.10

CAT KIT Exhibit 9

Attribute, Test, Error(s) & Criteria	Sampling Parameters	Universe	Potential Sampling Frame(s)	Evaluation of Compliance Testing & Actions Needed
<p><b>Attribute:</b> Was entered merchandise entitled to duty free entry under the Subheading 9801.00.10 HTSUS in accordance with 19 CFR 10.1?</p> <p><b>Test (Primary Audit Steps):</b></p> <ol style="list-style-type: none"> <li>Determine the eligibility for each sampled item. <ul style="list-style-type: none"> <li>Verify U.S. origin.</li> <li>Verify reported value.</li> <li>Determine if drawback was claimed on the exportation.</li> </ul> </li> <li>Determine if the company's internal control policies and procedures for 9801.00.10 were <ul style="list-style-type: none"> <li>Documented, and</li> <li>Produced accurate 9801.00.10 entries.</li> </ul> </li> </ol> <p><b>Errors:</b></p> <ul style="list-style-type: none"> <li>Failed to prove U.S. origin</li> <li>Advanced in value overseas</li> <li>Drawback was claimed</li> <li>Other preclusions</li> <li>The importer is unable to provide adequate support or information for the 9801.00.10 claim.</li> </ul> <p><b>Criteria for Testing (Statistical Sample or 100% Review):</b></p> <ul style="list-style-type: none"> <li>ÿ CAT determines that the trade area is a high risk trade area.</li> <li>ÿ Trade area ≥ \$10,000,000.</li> </ul>	<p><b>Approach:</b> attribute estimation sampling using the average error rate (point estimate) for evaluating compliance</p> <p><b>Confidence Level:</b> 95%</p> <p><b>Sampling Error (Precision):</b> ±5% (10% range)</p> <p><b>Anticipated Error Rate:</b> 5%</p>	<p>9801 line items on Customs entries made during the importer's last completed fiscal year</p>	<p><b>Customs' Records:</b> 9801 Line Items</p> <p><b>Importer's Records:</b> Inventory of 9801 Articles</p> <p><b>Sampling Frame:</b> _____</p> <p><b>Validated Sample:</b></p> <p>ÿ Yes ÿ No</p> <p><b>Frame Size:</b> _____</p> <p><b>Sample Size:</b> _____</p>	<p><b>LOL Compliance Rate:</b> ____ %</p> <p><b>Systemic/Non-Systemic or Recurring Errors?</b></p> <ul style="list-style-type: none"> <li>– If systemic, recommend importer correct cause of error(s).</li> <li>– If recurring, project the effect and recommend collection of unpaid duties and fees.</li> <li>– If non-recurring, recommend collection of duties and fees on identified errors, if applicable..</li> </ul> <p>ÿ <b>LOL Error Rate ≤5%</b></p> <ul style="list-style-type: none"> <li>– If internal controls were documented, compliance is at an acceptable level for 9801.00.10.</li> <li>– If internal controls were not documented, coordinate with the Account Manager to help company develop a CIP.</li> </ul> <p>ÿ <b>LOL Error Rate &gt; 5%</b> <b>Apply materiality criteria.</b> (CAT Kit Exhibit 32)</p> <p><b>Materiality Compliance Rate:</b> ____ %</p> <p>ÿ <b>Materiality Compliance Rate is acceptable</b></p> <ul style="list-style-type: none"> <li>– If internal controls were documented, compliance is at an acceptable level for 9801.00.10.</li> <li>– If internal controls were not documented, coordinate with the Account Manager to help company develop a CIP.</li> </ul> <p>ÿ <b>Materiality Compliance Rate is unacceptable</b></p> <ul style="list-style-type: none"> <li>– If materiality error rate is not acceptable, importer compliance for 9801.00.10 is not acceptable. Coordinate with the Account Manager to help company develop a CIP.</li> </ul> <p><b>Prepare results sheet and refer to the Enforcement Evaluation Team (EET) if findings meet the EET impact level for referral.</b></p>